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C O N F I D E N T I A L SECTION 01 OF 05 YAOUNDE 000724

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TAGS: [CM](#) [ECON](#) [EFIN](#) [KCOR](#) [MCAP](#) [PGOV](#) [PHUM](#) [PINR](#) [PREL](#)
SUBJECT: IS CAMEROON FAILING?

REF: A. YAOUNDE 705
[1](#)B. 08YAOUNDE 1169
[1](#)C. 08YAOUNDE1257
[1](#)D. 08YAOUNDE237
[1](#)E. 08YAOUNDE933
[1](#)F. YAOUNDE 396
[1](#)G. YAOUNDE 370

Classified By: Pol/Econ Chief Scott Ticknor for reasons 1.4 (d) and (e)

[1](#)1. (C) Summary: Several recent surveys, including the just published Foreign Policy Magazine 2008 Failed States Index, suggest that Cameroon is a failing state. These assessments are supported by recent events which have strengthened authoritarianism, heightened political uncertainty, and increased economic worries. President Paul Biya's legendary political skill created a loyal security apparatus, a weak opposition, and a reasonably resilient economy, enabling him to stay in power for almost 27 years. As a result, Cameroon's decades of relative stability may endure for some time longer; however, Biya has done little to shore up his legitimacy or build institutions which would guard against future instability. Cameroon is drifting toward troubled water. As Central Africa's breadbasket and largest economy, with a major port and an oil pipeline from Chad, instability here could undermine the whole region. End summary.

The Stabilizers

[1](#)2. (C) Cameroonian officials underscore their biggest achievement as providing 49 years of stability, especially impressive in the context of the country's diversity, including its 250 ethnic groups and Anglophone/Francophone split. Officials believe the country is fragile and, to ensure continued stability, they argue the importance of moving slowly on reforms. We see several key stabilizers that will be critical to continued stability:

-- Biya's Skill: President Paul Biya has been masterful at balancing interest groups and staying in power for almost 27 years. He has survived a coup attempt (1984), a period of economic crisis (mid 1980s-early 2000s, leading to a 75% salary cut for civil servants and a painful devaluation), contested election results (1992), and nationwide riots (1992 and 2008). Even his most ardent critics admire his political skill, including his ability to maintain an aging elite support network through patronage and a permissive attitude toward corruption. Biya also still effectively cultivates an air of mystery which keeps those around him on their toes. He seems likely to attempt to maneuver a smooth succession, probably via a chosen heir.

-- A Loyal Security Apparatus: Biya has balanced the armed forces - the military, the Presidential Guard, and the BIR - all of which report directly to him as the Minister of Defense. He has kept the military well enough equipped and paid to ward off disgruntlement but not prepared or united

enough to threaten his power. Biya has balanced his military ethnically but has placed fellow ethnic Betis in the most sensitive positions. He has allowed some in the security forces to make illicit money and retained superannuated generals to ensure the loyalty of the senior ranks. While some in the military resent the strengthening of the Presidential Guard and elite Rapid Intervention Battalion (BIR), the recent appointment of a new Minister Delegate in Charge of Defense has helped reduce tensions between the services. Biya effectively uses the police and intelligence services to monitor closely and control potential opponents. This, combined with the memory of almost twenty years of violence surrounding Cameroon's independence (1954-1973) and the repression following the 1992 democracy movement, has made Cameroonians cautious about taking to the streets or voicing discontent.

-- Economic Resilience: despite rising economic problems, Cameroon is a lower middle income country (with an annual per capital GDP of \$1,117 in 2007, according to BEAC, the Bank of Central African States). Cameroon has the largest and most diversified economy in Central Africa. Poverty and social services have worsened in the past decade but most Cameroonians are not starving. Cameroon remains a net supplier of food for the region and is buoyed by income from the Douala port and Chad-Cameroon pipeline, which have regional significance. Oil revenues (possibly including new sources from Bakassi) could also boost the economy over time.

--A Weak Opposition: The political opposition is divided and suffering from a crisis of leadership. Opposition parties

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have progressively lost seats in parliament and local governments. The main opposition Social Democratic Front (SDF) suffers from political infighting, centered around disgruntlement with its longtime leader John Fru Ndi. At the moment, the opposition lacks a charismatic national figure who could unify them or galvanize the masses.

Surveys Raise Concerns

13. (U) The recently published 2008 Failed States Index, published for the fifth year by Foreign Policy Magazine and the Washington-based Fund for Peace, ranks Cameroon 26 out of 176 countries on its index, with a score of 95.3 out of 120 points measuring stability (the lower the index score and higher the number of points, the more unstable the country). Cameroon's score was sixth worst out of twenty states identified by the index as being in danger of failing. The survey looked at 12 key social, economic, political and military indicators (Cameroon's absolute scores are in parentheses, with 0 being most stable and 10 being least stable): demographic pressure (8), refugees/IDPs (7.5), group grievances (7.2), human flight (8), uneven development (8.9), economic decline (6.9), deligitimization of the state (9.2), public services (8), human rights (8), security apparatus (7.8), factionalized elites (8.7), and external intervention (7.1). The Index cites riots and Chadian refugees in 2008 and serious economic problems in Cameroon as harbingers of future "street protests and homegrown discontent."

14. (SBU) When asked about the Foreign Policy survey, Cameroonian analysts find it is credible, in part because it conforms with other widely quoted surveys highlighting poor governance. Transparency International's 2008 Corruption Perception Index ranks Cameroon 141 out of 180 most corrupt countries in the world, and the World Bank's 2009 Doing Business report ranks Cameroon as 164 out of 181, in the bottom quarter of the world's business climates. Freedom House's 2009 Freedom in the World report scores Cameroon 6 out of 7 (7 representing the lowest level of freedom), in the "not free" category. The Economist Intelligence Unit's 2008

democracy index ranks Cameroon 126 out of 167 countries (the higher the number, the worse the performance), putting it among "authoritarian regimes." Cameroon has shown little overall improvement over the past several years on the Millennium Challenge Corporation's scorecards, reflecting 17 indicators of good governance, investing in people and economic freedom. Standard and Poor's gives Cameroon a "B/stable/B" sovereign credit rating, citing increasing political risk surrounding the succession after Biya. These surveys are supported by worrying recent developments.

A Delegitimized State

¶5. (C) Political stability has been maintained at the cost of an increasingly narrow political space. President Biya has effectively co-opted the opposition and instilled public fear with selective but decisive uses of force and intimidation. In the flawed 2007 elections, the ruling Cameroon People's Democratic Movement (CPDM) party strengthened its majority in parliament and in city councils. Political institutions across the board are weak, from parliament (dominated by the ruling party) to the judiciary (government controlled), from civil society (meek and largely bought off) to the newly formed Electoral Commission, ELECAM (largely discredited as politically biased). Biya's much-vaunted commitment to decentralization has so far meant giving more power to central government officials in the field rather than empowering local officials and elected representatives.

¶6. (C) Biya is in many ways a prisoner of his own system - a system which keeps him in power but cannot perform well. His regime is so centralized and hierarchical, so focused on self-preservation, that the bureaucracy is largely paralyzed, referring even minor decisions to the President (see ref F). Social service delivery has declined over the past decade, infrastructure projects have stalled, budget execution is very poor. Biya and his regime are widely unpopular and in many circles feared. There is a lively media but significant self-censorship and concerns about press intimidation. Growing public apathy toward politics is evident in low voter turnouts in recent elections. Biya appears increasingly isolated; he almost never travels within the country except for trips to his village and he rarely meets people or makes public appearances. In his most recent meeting with Ambassador, Biya apparently did not even know his wife was traveling to the U.S. a week later (ref G).

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Continued Political Uncertainty

¶7. (C) Transition Mechanism Not Viable: The lack of a viable post-Biya transition scenario underlies a sense of political nervousness. According to the 1996 constitution and a 2008 amendment, if the President dies or is incapacitated, the President of the Senate would become interim President until elections are called within 120 days. Because Biya has yet to create the Senate, the President of the National Assembly would become interim President. However, Biya has retained as President of the National Assembly someone he is sure does not threaten him - Cavaye Djibril, a northerner (and therefore probably not acceptable to the ruling Beti clan) with a reputation for being poorly educated, venal, and unpopular, even in his own region. At 76, Biya appears healthy; however, by intentionally casting a shadow of uncertainty over what will happen when he leaves the scene, he has paralyzed succession planning. The post-Biya period will likely bring to the fore simmering ethnic tensions (between Beti-Bulus, northerners and Bamilekes), regional divisions (northerners, southerners and Anglophones), and personal competition (between "elders" loyal to Biya but ambitious in their own right and "upstarts" lacking the same loyalty - see ref D).

¶8. (C) Election Timing: Political observers are split on whether Biya will call early elections in 2010 and run again or will keep to the scheduled 2011 election date. Biya has fueled the speculation, possibly to keep opponents off guard.

He changed the constitution in 2008 to eliminate presidential term limits, leaving open the option (we think likelihood, cynics say certainty) that he will run again. The government widely promoted (reportedly paid for) a new Biya biography, "The Biya Code," which paints a glowing portrait of the President. Many interpreted Biya's recent trip to France and meeting with President Sarkozy as a purely political move, and his return was greeted uncharacteristically with a staged public welcome. All over the country, activists from the CPDM have been calling for Biya to run for President. A new presidential decree mandating the transfer of funds for decentralization reflects increasingly assertive demands from the regions but also seems designed to help with electoral politics.

¶9. (C) ELECAM Not Ready: Cameroonians are worried about preparations for an election. Biya not only packed ELECAM with senior party cronies but he has still not signed off on a decree needed to transfer the voter register and election equipment from the Ministry of Territorial Administration (MINAT) to ELECAM. The Minister of MINAT, Marafa Hamidou Yaya, recently told Ambassador that, without an adequate budget or legal standing, ELECAM cannot yet function. With "no system in place" at the moment, Biya "is blind if he doesn't see the danger," Marafa added. If ELECAM is not made to work, the 2011 presidential election will not be possible, which "could burn the country up," Marafa feared.

¶10. (C) Corruption Nerves: An ongoing anti-corruption campaign has also heightened anxiety among political elites. Dubbed "Operation Sparrowhawk" (Epervier in French), Biya's anti-corruption efforts led to the arrests in 2008 of the former ministers of Finance and Health, the former Secretary General of the Presidency, and a number of other senior officials. Over the past few months, anti-corruption efforts have targeted the Vice Prime Minister and Minister of Agriculture, the former head of CRTV, the former Ambassador to the United States, and a member of parliament from the CPDM. Despite these arrests, the general public remains cynical. Many contacts see "Epervier" as politically motivated and point to the continued pervasiveness of corruption in Cameroonian society. The 2009 Transparency International Global Corruption Barometer found that the majority of Cameroonians report they have had to pay bribes in the past year (Cameroon is among the four worst among 69 countries surveyed). In late June, a French NGO alleged that Biya and his family had accumulated ill-gotten wealth, leading to public calls for Biya to declare his assets, as required by law.

Economic Malaise

¶11. (SBU) Even before the current global economic crisis, Cameroon's economic performance was lackluster. Some macroeconomic indicators were reasonably good (low inflation, low debt levels, a relatively diverse economy, strong forex reserves) but the business climate was been ranked among the worst in the world due to corruption, bureaucratic

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bottlenecks, lack of access to credit, and an inefficient judiciary. Oil production has been slowly declining and there has been little job creation over the years. Cameroon's economic strength - such as it is - relies largely on good fortune (oil, access to the sea, fertile soil), with very little developed economic activity to buttress it.

¶12. (SBU) According to the IMF, the population living below the poverty line has remained virtually unchanged at 40% since 2001 (many Cameroonians perceive that poverty has

worsened). The President's failure to publish the 2005 census results makes it difficult to assess demographic trends; sources indicate that the census points to little overall population growth (from a total of around 17 to 18 million people) but they speculate that it indicates substantial rural-urban migration, which has potential political repercussions. Health indicators are also very discouraging. Maternal mortality has worsened from 430 to 669 per 100,000 births from 1998 to 2004, while under-five infant mortality has risen during the same period from 139 to 149 per 1,000 live births. Many experts believe the HIV/AIDS prevalence rate is higher than the 2004 official estimated rate of 5.5%. The health sector suffers from poor planning, inadequate infrastructure, weak controls, and corruption, leaving Cameroon unprepared to deal with a serious infectious disease outbreak.

¶12. (SBU) The global economic crisis has significantly worsened the economic outlook. The IMF estimates GDP growth will slow by 1 percentage point to 2.4% in 2009; with 3% population growth, Cameroon's per capita income growth is predicted to fall. The Economist Intelligence Unit estimates a much worse performance - negative 0.1% growth in real terms in 2009. Given the unequal distribution of economic growth, such a drop in performance means a larger net loss for most households. Oil, timber, rubber, and cotton exports in particular have been hurt, shedding thousands of jobs and threatening hundreds of thousands more. Some major infrastructure projects have been stalled. Despite recently rising oil prices, total government revenues are expected to decline in 2009-2010. The IMF's medium-term outlook for nonoil real GDP growth has been revised downward by 1.5 percentage points each year and is not predicted to return to 2008 levels for at least the next three years, with serious negative implications for job growth.

¶13. (SBU) Biya recognizes the political pitfalls of poor economic performance, especially in light of nationwide riots in 2008 resulting at least in part from rising food and fuel prices. Since the riots, the GRC has worked to control food prices, froze gas prices at the pump, and slightly increased public sector salaries. On July 3, following a minor Cabinet shuffle, President Biya issued an unusual Special Communique to his Cabinet, criticizing inertia and corruption as having long held back economic development. Biya noted that energy, roads, mining, and agriculture projects had lagged, and he gave his Cabinet six months to improve performance. A source in the Presidency commented to us that the June 30 Cabinet shuffle was motivated largely by a desire to jump-start the economy. A recent \$140 million IMF Exogenous Shock Facility disbursement should help the government cover balance of payments shortfalls. Nonetheless, many observers are skeptical that an IMF loan and presidential jawboning can overcome vested interests in a system seemingly designed to move slowly.

Comment

¶14. (C) The next few years will be critical for Cameroon. It is possible that Biya will steer a transition that will be acceptable to the country's power brokers and face little opposition. Biya has so far shown he can alter the constitution and laws and manipulate the political system to suit his plans. With more distance from a tumultuous 2008, most political pundits are less dramatic and more resigned about the country's future than they were a year ago (ref e). Recent controversies such as the constitutional change and ELECAM have largely subsided, as have the heightened worries about security we saw in 2008 (ref B).

¶15. (C) Nonetheless, Cameroon has many of the ingredients of a failing state, and rising political and economic risks bear close watching. Cameroon could be wracked again by social unrest similar to the February 2008 riots, which some analysts classified as a "wobble" in historically stable Cameroon. Biya's failure to shore up the foundations of his regime's legitimacy - in fact eroding many sources of

stability - will hinder his ability to bounce back from the next wobble.

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¶16. (C) The next wobble could take many forms. The SDF and some civil society activists say they are preparing for civic action in the next few months which may raise the political temperature. At some point, rising frustration among the youth may tip the scale; we have noticed growing impatience with the Biya regime among university students (ref A) and within the younger generation of professionals and military officials. Biya has warned about shadowy "sorcerer's apprentices" and a number of powerful, wealthy, disgruntled people (some of whom are in prison facing corruption charges) who could stir trouble. Cameroonian officials are also worried about spillovers of conflicts from neighboring countries.

¶17. (C) There is a great deal of good will toward the United States in the government and among average Cameroonians. Many Cameroonians who are afraid to speak up look to the U.S. to publicly address sensitive political issues, despite the Ambassador's public statements that Cameroonians should take more responsibility for their own problems. The government is very sensitive to outside criticism and is reportedly upset about the recent Foreign Policy Failed States Index, which has been reported in the local media and is perceived by some as a USG report. We are in a position to influence political discussion and events on the margins, but we should be prepared to see our interests here threatened - both on a national and regional level - during a possible future period of violent instability.
GARVEY